

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

In re: §
§
SW OWNERSHIP, LLC, § Case No. 11-10485-cag
§
Debtor. § Chapter 11

**DEBTOR'S MOTION TO CONVERT
CHAPTER 11 CASE TO A CASE UNDER CHAPTER 7**

**THIS PLEADING REQUESTS RELIEF THAT MAY BE ADVERSE TO
YOUR INTERESTS.**

**IF NO TIMELY RESPONSE IS FILED WITHIN TWENTY-ONE (21)
DAYS FROM THE DATE OF SERVICE, THE RELIEF REQUESTED
HEREIN MAY BE GRANTED WITHOUT A HEARING BEING HELD.**

**A TIMELY FILED RESPONSE IS NECESSARY FOR A HEARING TO
BE HELD.**

TO THE HONORABLE CRAIG A. GARGOTTA, UNITED STATES BANKRUPTCY JUDGE:

SW Ownership LLC (the "Debtor"), the debtor and debtor-in-possession in the above-captioned bankruptcy case, files its Motion to Convert Chapter 11 Case to a Case Under Chapter 7 (the "Motion"), pursuant to 11 U.S.C. § 1112(a), and in support thereof would respectfully show the Court as follows:

I. JURISDICTION AND BACKGROUND

1. On February 28, 2011 (the "Petition Date"), the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code, thereby initiating the above-captioned case with the Court.

2. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtor remains in possession of its property and is managing its business and affairs as a debtor-in-possession.

No trustee or examiner has been appointed in this case and no committees have yet been appointed or designated.

3. The Court has jurisdiction over this case and Motion pursuant to 28 U.S.C. §§ 157 and 1334. This Motion involves a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is appropriate in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory and legal predicate for the relief requested herein is section 1112 of the Bankruptcy Code and Local Rule of Bankruptcy Procedure 1017.

5. On March 4, 2011, the Debtor filed its Motion for Order: (I) Approving Secured Post-Petition Financing; (II) Approving Priming Lien and Super-Priority Administrative Claim; and (III) Approving Commitment Letter filed on March 4, 2011 [Docket No. 16] (as amended, the "Financing Motion"), seeking, *inter alia*, this Court's authorization for the Debtor to incur post-petition financing under a proposed \$9 million credit facility.

6. On March 11, 2011, International Bank of Commerce ("IBC"), the Debtor's pre-petition senior secured lender filed its *Amended Motion for Relief From Automatic Stay* [Docket No. 29] ("Lift Stay Motion").

7. On May 6, 2011, following hearings held on the Financing and Lift Stay Motions on March 31, 2011, the 11th, 13th, and 29th days of April 2011, and May 2, 2011, this Court announced its findings and conclusions and rulings thereon, determining to deny the Financing Motion and grant the Lift Stay Motion. The Court has since entered orders thereon.

8. As a result of these rulings, IBC will foreclose upon the estate's sole tangible assets (with the exception of nominal cash in the Debtor's accounts and estate claims) and the Debtor's sole means of generating revenues or cash flow, and the Debtor has no access to other funds for its rehabilitation.

II. **RELIEF REQUESTED**

9. The Debtor requests the immediate conversion of this case to a case under Chapter 7 of the Bankruptcy Code. Pursuant to section 1112 of the Bankruptcy Code, the Debtor-in-Possession has an unfettered right to convert this case to a case administered under Chapter 7. The case was commenced voluntarily, and no prior conversion of the case has been requested or ordered. Notwithstanding, in light of the practicalities, the Debtor also believes that conversion and the appointment of a Chapter 7 trustee is in the best interest of the estate.

WHEREFORE, PREMISES CONSIDERED, the Debtor respectfully requests that the Court enter its Order converting this case to a case under Chapter 7 of the Bankruptcy Code and granting to the Debtor such other and further relief to which it may show itself justly entitled.

Dated: May 12, 2011

Respectfully Submitted,

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Jay H. Ong
Joe E. Marshall, Esq.
Texas Bar No. 13031100
Jay H. Ong, Esq.
Texas Bar No. 24028756
401 Congress Avenue, Suite 3050
Austin, Texas 78701
Telephone: (512) 391-6100
Facsimile: (512) 391-6149
E-mail: jmarshall@munsch.com
E-mail: jong@munsch.com

COUNSEL FOR SW OWNERSHIP LLC,
DEBTOR AND DEBTOR-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 12th day of May, 2011, he personally caused to be served a true and correct copy of the foregoing pleading by filing same with the Court's CM/ECF system, and by first class, U.S. Mail, postage prepaid, on all parties listed on the attached Service List.

/s/ Jay H. Ong _____

Jay H. Ong

SERVICE LIST

SW Ownership, LLC 11-10485

Debtor

SW Ownership LLC
325 N. St. Paul Street
Dallas, TX 75201

Aerophoto
4000 16th St. North
Saint Petersburg, FL 33703

Bryant Taylor Gordon Golf
191 Cabrillo Street
Costa Mesa, CA 92627

Bury & Partners
221 West 6th Street
Suite 600
Austin, TX 78701

City of Horseshoe Bay
P.O. Box 7765
Horseshoe Bay, TX 78657

CMS
314 Clematis Street
Suite 201
West Palm Beach, FL 33401

Credit Card Center
PO Box 1110
Evansville, IN 47706-1110

Dallas County Tax Assessor - COL
Record
500 Elm St.
PO Box 139033
Dallas, TX 75313

Dish Network
Dept. 0063
Palatine, IL 60055-0063

Ehrenberg Chesler Investment
Bankers
7373 Broadway, Suite 108
San Antonio, TX 78209

Elizabeth Christian & Associates PR
823 Congress Avenue
Suite 1505
Austin, TX 78701-2457

Footbridge Limited Trust
1120 Boston Post Road, 2nd Floor
Darien, CT 06820

Gameplan Resort Solutions
PO Box 9006
Panama City, FL 32417

HB Rose Associates, LLC
255 Alhambra Circle
Suite 325
Coral Gables, FL 33134

HealthPlan Services, Inc.
PO Box 30102
Tampa, FL 33630-3102

Highland Lakes Newspapers
PO Box 1000
Marble Falls, TX 78654

Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Washington, DC 20037

Horseshoe Bay Resort
PO Box 8283
Horseshoe Bay, TX 78657

Horseshoe Bay Resort, Ltd.
One Horseshoe Bay Blvd.
Horseshoe Bay, TX 78657

IBC Bank International Bank of
Commerce
130 E. Travis Street
San Antonio, TX 78205

Imagine
PO Box 1450
Marble Falls, TX 78654

Internal Revenue Service
Special Procedures Staff -
Insolvency
P.O. Box 7346
Philadelphia, PA 19101-7346

International Bank of Commerce
130 E. Travis Street
San Antonio, TX 78201

J. David Joiner, CPA
5910 N. Central Expwy, Suite 1710
Dallas, TX 75206

J. Larry Rutherford
255 Alhambra Circle
Suite 325
Miami, FL 33134

Jay C. Fertig
Bayshore Land Group
13680 N.W. 5th Street, Suite 100
Sunrise, FL 33325

JS Paris Excavating
11550 Mahoring Avenue
North Jackson, OH 44451

Kenneth Cleveland
612 CR 123-A
Marble Falls, TX 78654

Kleinberg, Kaplan, Wolff & Cohen,
PC
551 Fifty Avenue, 18th Floor
New York, NY 10176

Knight Office Solutions
11831 Radium St.
San Antonio, TX 78216

Kolar Advertising - Marketing
114 West 7th Street
Suite 500
Austin, TX 78701

Marla Carroll Janitorial Services
1506 Sunset Drive
Marble Falls, TX 78654

McGinnis, Lochridge & Kilgore, LLP
600 Congress Avenue, Suite 210
Austin, TX 78701

Mobile Mini I, Inc.
PO Box 79149
Phoenix, AZ 85062-9149

Navon & Lavin, P.A.
2699 Stirling Road, Suite B-100
Fort Lauderdale, FL 33312

Nelson Lewis Inc.
PO Box 235
Marble Falls, TX 78654

Nicklaus Design LLC
11780 U.S. Highway One
North Palm Beach, FL 33408

Nicklaus Design, LLC
c/o Northern Trust
PO Box 024873
Miami, FL 33102-4855

Office of the United States Trustee
903 San Jacinto Blvd.
Room 230
Austin, TX 78701

Pedernales Electric Cooperative,
Inc.
PO Box 750
Marble Falls, TX 78654-0750

Pitney Bowes
PO Box 856390
Louisville, KY 40285-6390

Premium Assignment Corporation
PO Box 3100
Tallahassee, FL 32315-3100

Professional Turf Products, LP
PO Box 201349
Dallas, TX 75320-1349

Reagan National Advertising
9211 US Highway 290 East
Austin, TX 78724

Riemer Insurance Group, Inc.
217 E. Hallandale Beach Blvd.
Hallandale Beach, FL 33009

SignAd, Inc.
PO Box 8626
Houston, TX 77249

Skywater Management LLC
255 Alhambra Circle
Suite 325
Miami, FL 33134

Skywater Management, LLC
255 Alhambra Circle
Suite 325
Coral Gables, FL 33134

Skywater Realty, LLC
255 Alhambra Circle
Suite 325
Coral Gables, FL 33134

Skywater Realty, LLC
SouthStar Development Partners,
Inc.
255 Alhambra Circle, Suite 325
Coral Gables, FL 33134

Southstar Development Partners,
Inc.
255 Alhambra Circle
Suite 325
Miami, FL 33134

Star Security & P.I., Inc.
PO Box 4
Marble Falls, TX 78654

State Comptroller of Public
Accounts - Revenue Accounting
Division – Bankruptcy Section
P.O. Box 13528
Austin, TX 78711

SW Ownership Holdings, LLC
c/o the Patriot Group, LLC
325 N. Paul Street
Suite 2150
Dallas, TX 75201

Texas Golfer Media
4920 Center Street
Houston, TX 77007

Texas Monthly
1202 Reliable Parkway
Chicago, IL 60686-0011

The Patriot Group LLC
325 N. Paul Street
Suite 2150
Dallas, TX 75201

THG Construction Services
5500 N. Highway 281
Marble Falls, TX 78654

THG Construction Services, LLC
5500 N. Highway 281
Marble Falls, TX 78654

Third Avenue Real Estate
Opportunities
Fund, L.P.
622 Third Avenue
New York, NY 10017

Verizon Business
PO Box 371355
Pittsburgh, PA 15250-7355

Verizon SouthWest
PO Box 920041
Dallas, TX 75392-0041

Verizon Wireless
PO Box 660108
Dallas, TX 75266-0108

Vita Planning & Landscape
Architecture
181 Third Street
Suite 250
San Rafael, CA 94901

Wadsworth Golf Construction Co.
13941 Van Dyke Road
Plainfield, IL 60544

Wadsworth Golf Construction
Company
of the Midwest
13941 Van Dyke Road
Plainfield, IL 60544

Water Resources Mgmt
P.O. Box 520
Franklin, Texas 77856

Willis - Sherman Associates, Inc.
310 Main
Marble Falls, TX 78654

Willis Copy Account
310 Main
Marble Falls, TX 78654

Willis Environmental Engineering
310 Main Street
Marble Falls, TX 78654

Woodlake Outdoor, Inc.
3941 Legacy Drive
Suite 225B
Plano, TX 75023

Lynn Hamilton Butler
Brown McCarroll, LLP
111 Congress Avenue, Suite 1400
Austin, TX 78701

Diann M. Bartek
Cox Smith Matthews Incorporated
112 East Pecan Street, Suite 1800
San Antonio, TX 78205

Michael G. Colvard
Martin & Drought, P.C.
2500 Bank of America Plaza
300 Convent Street
San Antonio, TX 78205

LBJ Lakefront, Inc.,
c/o Mark C. Taylor
Hohmann, Taube & Summers LLP
100 Congress Ave., Suite 1800
Austin, TX 78701

C. Randall Carr
Reid Collins & Tsai LLP
4301 Westbank Drive, Suite B-230
Austin, TX 78746

Joseph D. Martinec
Martinec, Winn, Vickers & McElroy
600 Congress Avenue, Suite 500
Austin, TX 78701

Donald J. Rafferty
Cohen, Todd, Kite & Stanford, LLC
250 E. 5th Street, Suite 1200
Cincinnati, OH 45202

W. Lee Choate
Susan A. Swete
Choate & Associates, PC
1000 Westbank Drive, Bldg. One
Austin, TX 78746

William E. Epp & Associates
2101 Lockhill Selma #206
San Antonio, TX 78213-1409

Deana Dunkle
Skywater Realty
207 The Hills Road
Horseshoe Bay, TX 78657

Jamie Ament
Skywater Realty
207 The Hills Road
Horseshoe Bay, TX 78657

Viking Fence Co., Ltd.
9602 Gray Blvd.
Austin, TX 78758

The Property Journal, LP
1100 NW Loop 410, Suite 101
San Antonio, TX 78213

Ford Motor Credit Company
350 N SAINT PAUL ST
Dallas, TX 75201

Johnson Sewell Ford LM
3301 Hwy 281 N
Marble Falls, TX 78654

Midland Reporter - Telegram
201 E. Illinois Street
Midland, TX 79701

Techline Pipe L.P.
P.O. Box 4328
Houston, TX 77210-4328

Cordish Private Ventures, LLC
601 East Pratt Street, 6th Floor
Baltimore, MD 21202

William Dunbar
477 30th Street
Manhattan Beach, CA 90266

Richard Fields
1 East 57th Street
New York, NY 10022

ICMC Global Real Estate Fund, LP
12001 N. Central Expressway
Suite 1000
Dallas, TX 75243-3711

Southstar Development Partners
Inc
255 Alhambra Circle
Coral Gables, FL 33134